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**LATHAM & WATKINS LLP**

**APPLICATION GRANTED  
SO ORDERED**

October 12, 2020

*6/11 edip*  
John G. Koeltl, U.S.D.J.

**VIA EMAIL**

Honorable John G. Koeltl  
United States District Judge  
Southern District of New York  
500 Pearl Street  
New York, New York 10007

*10/12/20*

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Re: **United States v. Hayes, et al., No. 20 Cr. 500**

Dear Judge Koeltl:

We respectfully submit this letter to request the modification of certain terms in the October 1, 2020 Order Setting Conditions of Release of Samuel Reed (the "Order"). The government consents to this application.

By way of background, Mr. Reed was arrested on October 1, 2020 and appeared, pursuant to Federal Rule of Criminal Procedure 5(c)(3), before Magistrate Judge Marianne Bowler in the District of Massachusetts. Thereafter, Magistrate Judge Bowler entered the Order and released Mr. Reed on bail. The Order, attached hereto as Exhibit A, includes (i) a typographical error regarding the bond parameters, and (ii) two restrictions that were not part of the agreed-upon bail package (namely, that Mr. Reed's wife surrender her passports and Mr. Reed avoid contact with his co-defendants unless in the presence of counsel).

First, the Order speaks to a \$5,000,000 unsecured bond. See Ex. A, Condition (6). But Magistrate Judge Bowler ordered a secured bond backed by \$500,000. We bring this to Your Honor's attention to ensure that the Order is consistent with Magistrate Judge Bowler's in-court order.

Second, the Order requires that (i) Mr. Reed's wife surrender her EU and US passports and (ii) Mr. Reed "avoid all contact, directly or indirectly" with, among others, co-defendants Arthur Hayes, Ben Delo, and Greg Dwyer, "unless in the presence of counsel." See Ex. A, Conditions (8)(g), (8)(j). Neither condition was part of the agreed-upon bail package between the government and Mr. Reed, and they are unfounded. Mr. Reed presents no risk of flight or danger to the community – indeed, Pretrial in the District of Massachusetts recommended a \$500,000 personal recognizance bond. Mr. Reed is a U.S. citizen and resides in Massachusetts with his wife and newborn child.

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LATHAM & WATKINS<sup>LLP</sup>

The “no contact” restriction is also unfounded and unduly restrictive. As a general matter, no contact restrictions implicate “at least two significant interests . . . (1) the right to free association, guaranteed by the First Amendment, and (2) the ability to prepare fully for defense against a felony criminal charge.” *United States v. Lillemoe*, No. 15-CR-00025 (JCH), 2015 WL 9694385, at \*2 (D. Conn. May 28, 2015). A no contact restriction relating to Messrs. Hayes and Delo is burdensome for the additional reason that it impedes defendants’ ability to communicate about business matters for the company they co-own. Mr. Reed is a non-executive director of HDR Global Trading Limited, a company he co-founded with Mr. Hayes and Mr. Delo, who also serve as directors of the company.

Accordingly, on consent of the government, we respectfully request that the Court:

- Modify Condition (8)(g) (surrender of passports) to strike the requirement that Mrs. Reed surrender her two passports, and order Pretrial to return Mrs. Reed’s passports;
- Strike Condition (8)(j) (no contact); and
- Modify Condition (6) so that it provides for a \$5,000,000 bond secured by a cash payment of \$500,000.

Respectfully submitted,

/s/ Douglas K. Yatter

Douglas K. Yatter  
Benjamin Naftalis  
of LATHAM & WATKINS LLP

cc: AUSA Jessica Greenwood  
AUSA Samuel Raymond

# Exhibit A

**UNITED STATES DISTRICT COURT**  
for the  
District of Massachusetts

United States of America

v.

Samuel Reed

*Defendant*

Case No. 1:20-mj-02501-MBB-1

**ORDER SETTING CONDITIONS OF RELEASE**

IT IS ORDERED that the defendant's release is subject to these conditions:

- (1) The defendant must not violate any federal, state or local law while on release.
- (2) The defendant must cooperate in the collection of a DNA sample if the collection is authorized by 42 U.S.C. § 14135a.
- (3) The defendant must immediately advise the court, defense counsel, and the U.S. attorney in writing before any change in address or telephone number.
- (4) The defendant must appear in court as required and must surrender to serve any sentence imposed

The defendant must appear at (if blank, to be notified) \_\_\_\_\_

Place

on \_\_\_\_\_

Date and Time

**Release on Personal Recognizance or Unsecured Bond**

IT IS FURTHER ORDERED that the defendant be released on condition that:

- ( ☒ ) (5) The defendant promises to appear in court as required and surrender to serve any sentence imposed.
- ( ☒ ) (6) The defendant executes an unsecured bond binding the defendant to pay to the United States the sum of Five Million \_\_\_\_\_ dollars (\$ 5,000,000.00 ) in the event of a failure to appear as required or surrender to serve any sentence imposed.



**ADDITIONAL CONDITIONS OF RELEASE**

Upon finding that release by one of the above methods will not by itself reasonably assure the defendant's appearance and the safety of other persons or the community, IT IS FURTHER ORDERED that the defendant's release is subject to the conditions marked below:

- ( ) (7) The defendant is placed in the custody of:  
Person or organization \_\_\_\_\_

Address (only if above is an organization) \_\_\_\_\_

City and state \_\_\_\_\_

Tel. No. (only if above is an organization) \_\_\_\_\_

who agrees (a) to supervise the defendant in accordance with all of the conditions of release, (b) to use every effort to assure the defendant's appearance at all scheduled court proceedings, and (c) to notify the court immediately if the defendant violates any condition of release or disappears.

Signed: \_\_\_\_\_

Custodian or Proxy

Date

- ( ✓ ) (8) The defendant must:

- ( ✓ ) (a) report to the USPO as directed.

telephone number \_\_\_\_\_, no later than \_\_\_\_\_

- ( ) (b) execute a bond or an agreement to forfeit upon failing to appear as required the following sum of money or designated property: \_\_\_\_\_

- ( ) (c) post with the court the following proof of ownership of the designated property, or the following amount or percentage of the above-described sum \_\_\_\_\_

- ( ) (d) execute a bail bond with solvent sureties in the amount of \$ \_\_\_\_\_

- ( ) (e) maintain or actively seek employment.

- ( ) (f) maintain or commence an education program.

- ( ✓ ) (g) surrender any passport to: USPO, along with wife's EU and US passport by close of business on 10/2/2020

- ( ✓ ) (h) obtain no passport.

- ( ) (i) abide by the following restrictions on personal association, place of abode, or travel: Niether defend nor wife to obtain travel document while case is pending. Travel is restricted to MA, NY, and WI. Maintain residence and do not move without prior USPO permission.

- ( ✓ ) (j) avoid all contact, directly or indirectly, with any person who is or may become a victim or potential witness in the investigation or prosecution, including but not limited to: co-defendant unless in the presence of counsel.

- ( ) (k) undergo medical or psychiatric treatment: \_\_\_\_\_

- ( ) (l) return to custody each (week) day at \_\_\_\_\_ o'clock after being released each (week) day at \_\_\_\_\_ o'clock for employment, schooling, or the following purpose(s): \_\_\_\_\_

- ( ) (m) maintain residence at a halfway house or community corrections center, as the pretrial services office or supervising officer considers necessary.

- ( ✓ ) (n) refrain from possessing a firearm, destructive device, or other dangerous weapons.

- ( ) (o) refrain from ( ) any ( ) excessive use of alcohol.

- ( ) (p) refrain from use or unlawful possession of a narcotic drug or other controlled substances defined in 21 U.S.C. § 802, unless prescribed by a licensed medical practitioner.

- ( ) (q) submit to any testing required by the pretrial services office or the supervising officer to determine whether the defendant is using a prohibited substance. Any testing may be used with random frequency and include urine testing, the wearing of a sweat patch, a remote alcohol testing system, and/or any form of prohibited substance screening or testing. The defendant must refrain from obstructing or attempting to obstruct or tamper, in any fashion, with the efficiency and accuracy of any prohibited substance testing or monitoring which is (are) required as a condition of release.

- ( ) (r) participate in a program of inpatient or outpatient substance abuse therapy and counseling if the pretrial services office or supervising officer considers it advisable.

- ( ) (s) participate in one of the following location monitoring program components and abide by its requirements as the pretrial services officer or supervising officer instructs.

- ( ) (i) **Curfew.** You are restricted to your residence every day ( ) from \_\_\_\_\_ to \_\_\_\_\_, or ( ) as directed by the pretrial services office or supervising officer; or

- ( ) (ii) **Home Detention.** You are restricted to your residence at all times except for employment; education; religious services; medical, substance abuse, or mental health treatment; attorney visits; court appearances; court-ordered obligations; or other activities pre-approved by the pretrial services office or supervising officer; or

- ( ) (iii) **Home Incarceration.** You are restricted to 24-hour-a-day lock-down except for medical necessities and court appearances or other activities specifically approved by the court.

- ( ) (t) submit to the location monitoring indicated below and abide by all of the program requirements and instructions provided by the pretrial services officer or supervising officer related to the proper operation of the technology.

- ( ) The defendant must pay all or part of the cost of the program based upon your ability to pay as the pretrial services office or supervising officer determines.

- ( ) (i) Location monitoring technology as directed by the pretrial services office or supervising officer;

- ( ) (ii) Radio Frequency (RF) monitoring;

- ( ) (iii) Passive Global Positioning Satellite (GPS) monitoring;

- ( ) (iv) Active Global Positioning Satellite (GPS) monitoring (including "hybrid" (Active/Passive) GPS);

- ( ) (v) Voice Recognition monitoring.

- ( ✓ ) (u) Report any contact with law enforcement to USPO within 24 hours.



**ADVICE OF PENALTIES AND SANCTIONS**

TO THE DEFENDANT:

YOU ARE ADVISED OF THE FOLLOWING PENALTIES AND SANCTIONS:

Violating any of the foregoing conditions of release may result in the immediate issuance of a warrant for your arrest, a revocation of your release, an order of detention, a forfeiture of any bond, and a prosecution for contempt of court and could result in imprisonment, a fine, or both.

While on release, if you commit a federal felony offense the punishment is an additional prison term of not more than ten years and for a federal misdemeanor offense the punishment is an additional prison term of not more than one year. This sentence will be consecutive (*i.e.*, in addition to) to any other sentence you receive.

It is a crime punishable by up to ten years in prison, and a \$250,000 fine, or both, to: obstruct a criminal investigation; tamper with a witness, victim, or informant; retaliate or attempt to retaliate against a witness, victim, or informant; or intimidate or attempt to intimidate a witness, victim, juror, informant, or officer of the court. The penalties for tampering, retaliation, or intimidation are significantly more serious if they involve a killing or attempted killing.

If, after release, you knowingly fail to appear as the conditions of release require, or to surrender to serve a sentence, you may be prosecuted for failing to appear or surrender and additional punishment may be imposed. If you are convicted of:

- (1) an offense punishable by death, life imprisonment, or imprisonment for a term of fifteen years or more – you will be fined not more than \$250,000 or imprisoned for not more than 10 years, or both;
- (2) an offense punishable by imprisonment for a term of five years or more, but less than fifteen years – you will be fined not more than \$250,000 or imprisoned for not more than five years, or both;
- (3) any other felony – you will be fined not more than \$250,000 or imprisoned not more than two years, or both;
- (4) a misdemeanor – you will be fined not more than \$100,000 or imprisoned not more than one year, or both.

A term of imprisonment imposed for failure to appear or surrender will be consecutive to any other sentence you receive. In addition, a failure to appear or surrender may result in the forfeiture of any bond posted.

**Acknowledgment of the Defendant**

I acknowledge that I am the defendant in this case and that I am aware of the conditions of release. I promise to obey all conditions of release, to appear as directed, and surrender to serve any sentence imposed. I am aware of the penalties and sanctions set forth above.




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*Defendant's Signature*


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 Boston, Massachusetts

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*City and State*
**Directions to the United States Marshal**

- ( ☒ ) The defendant is ORDERED released after processing.  
 ( ) The United States marshal is ORDERED to keep the defendant in custody until notified by the clerk or judge that the defendant has posted bond and/or complied with all other conditions for release. If still in custody, the defendant must be produced before the appropriate judge at the time and place specified.

 Date: 10/1/2020
/s/ Marianne B. Bowler, USMJ


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*Judicial Officer's Signature*
Hon. Marianne B. Bowler, USMJ


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*Printed name and title*